



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

November 04, 2002

### Community Reinvestment Act Performance Evaluation

**First National Bank & Trust Company Of McAlester**  
Charter Number: 5052

235 East Choctaw  
McAlester, OK 74502

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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Outstanding**.

The following table indicates the performance level of **First National Bank and Trust Company of McAlester (FNB&T)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank and Trust Company Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending levels reflect a good responsiveness by FNB&T to the credit needs of the assessment areas (AA).
- FNB&T's distribution of loans among geographies is excellent and the distribution to borrowers of different income levels is good throughout its AA.
- Community development lending has a positive effect on the overall lending test rating, based on the significant level and quality of CD loans.
- Investments reflect a good responsiveness by FNB&T to the needs of its AA considering available opportunities.
- Accessibility of FNB&T's offices to geographies and individuals of different income levels and the responsiveness of FNB&T's services to the needs of its AA are good.
- FNB&T maintains good performance in providing community development services.

## *Definitions and Common Abbreviations*

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-

couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## *Description of Institution*

First National Bank & Trust Company of McAlester, Oklahoma, (FNB&T) is an intrastate bank that was chartered in 1896 and is a wholly-owned subsidiary of First of McAlester Corporation (FMC), a one bank holding company. Both organizations are headquartered in McAlester, Oklahoma, and are locally owned. FNB&T is the largest commercial bank domiciled in McAlester. The bank also operates a subsidiary Community Development Corporation (CDC), First National Development Corporation (FNDC).

As of June 30, 2002, total FNB&T assets were reported at \$441 million. The main bank is located in downtown McAlester with a full service branch in Hartshorne, Oklahoma. There are two drive-through facilities in McAlester, one in Hartshorne. The bank also has 8 ATMs in the AA, with 5 in McAlester

There are no known legal or financial constraints that impede CRA efforts. The bank is adequately capitalized and operates profitably. As of June 30, 2002, FNB&T's loan-to-deposit ratio was 42 percent and has been stable during the evaluation period. Tier One Capital was \$83 million on this same date. FNB&T offers full service banking including commercial, real estate, consumer, home mortgage and agricultural loan products. Also, the bank offers an array of retail and commercial deposit products, as well as trust services. The bank's primary lending focus is for commercial related products. The loan portfolio composition at the beginning and end of this evaluation period is as follows:

<b>Loan Portfolio Composition (in 000s)</b>					
<b>Loan Type</b>	<b>12/31/1998</b>		<b>12/31/2001</b>		<b>% Change During Period</b>
	<b>\$ Amount</b>	<b>% of Portfolio</b>	<b>\$ Amount</b>	<b>% of Portfolio</b>	
Real Estate: 1-4 Family	37,015	25.96	38,390	25.89	3.71
Real Estate: Commercial	63,648	44.63	66,403	44.77	4.33
Commercial	24,710	17.33	24,891	16.78	0.73
Individuals	12,951	9.08	13,639	9.20	5.58
Agricultural	3,756	2.63	3,978	2.68	5.04
Other	520	0.36	1,007	0.68	48.36
<b>Total Gross Loans</b>	<b>142,600</b>	<b>100.00</b>	<b>148,308</b>	<b>100.00</b>	<b>3.85</b>

Source: December 31, 1998 Call Report, December 31, 2001 Call Report.

FNB&T's last CRA examination was dated November 2, 1998. The bank was rated **Satisfactory**.

## *Scope of the Evaluation*

### **Evaluation Period/Products Evaluated**

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed their residential mortgage loans, small business and small farm loans, and community development (CD) loans. With the exception of CD loans, the evaluation period for the Lending Test is January 1, 1999 through December 31, 2001. For CD loans and the Investment and Service Tests, the evaluation period is November 3, 1998 through November 3, 2002. The Investment Test included a review of investments, grants, and donations made in the bank's AA that meet the definition of community development investments. The Service Test included a review of retail and community development services provided in the AA.

### **Data Integrity**

Prior to this CRA examination, we verified the accuracy of lending and CRA performance data supplied by the bank. In addition, CD loans, services, and investments were reviewed to ensure they qualified as community development. Based on verification work performed, lending data provided by the bank is considered materially accurate. Lending data for the second half of 1998 was unavailable for the data integrity review and thus not included in this analysis. In our judgment, omission of this data does not materially affect the conclusions in this evaluation given the consistency in loan products and underwriting standards over the period in question.

### **Selection of Areas for Full-Scope Review**

During this examination, we performed a full-scope review of the bank's assessment area, Pittsburg County, Oklahoma. This is the bank's only assessment area. Please refer to the table in Appendix A for more information on this area.

### **Ratings**

The analysis of lending to small businesses and small farms carry slightly more weight than the individual home mortgage products in evaluating the bank's performance. This is because small business and small farm lending represent the bank's primary lending focus and constitute the majority of loan originations over the evaluation period.

### **Other**

Two community contacts were made during the examination by the OCC to better understand the public's perception of FNB&T and other bank's performance in Pittsburg County. The community contacts were also made to determine credit needs and opportunities in the area. The groups contacted represent small business development and affordable housing, which were also cited as primary needs. The comments received were positive concerning the manner in which FNB&T and other local banks provide needed credit, investment, and financial services. One contact stated that the biggest obstacle to completing affordable housing projects in the area was public acceptance for these kinds of projects. He also commented that he felt the local banks were doing all they could to help. Both contacts

praised the noteworthy accomplishments in the area by FNB&T's Chairman of the Board, Wanda L. Bass. Her contributions and service, both private and through control of the bank, have greatly contributed over the years to affordable housing, community services and the revitalization and stabilization of the area.

## *Fair Lending Review*

An analysis of the most recent public comments, consumer complaint information, home mortgage data, and small loans to businesses and farms data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed on November 2, 1998 in connection with the CRA examination performed at that time. The bank's recent record of complying with anti-discrimination laws (ECOA, FHA, and HMDA) was rated good.

## *Conclusions with Respect to Performance Tests*

### *LENDING TEST*

The bank's performance under the lending test is rated "Outstanding". This conclusion is based on the bank's performance context and actual lending practices within the Pittsburg County assessment area (AA) during the review period. It also includes the positive effect of community development lending as detailed below.

#### **Lending Activity**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

FNB&T's lending levels reflect a good responsiveness to credit needs in the AA. The bank's loan-to-deposit ratio was 42 percent at June 30, 2002 and has been stable during the evaluation period. This is lower than the average loan-to-deposit ratio of 55 percent for banks in Pittsburg and surrounding counties (12 banks). For the three banks headquartered in Pittsburg County, FNB&T's ratio was the lowest with the other banks reporting a 76 percent and 60 percent ratio at December 31, 2001. The primary mitigating factors for FNB&T's lower ratio is a stable deposit base consisting of several long-time depositors who maintain significant balances with minimal borrowing needs. The bank also holds a large volume of public funds, which keeps the loan-to-deposit ratio down. Adjusting for these mitigating factors result in a loan-to-deposit ratio that is comparable to peer banks. FNB&T's lending within their assessment area for home mortgage and small business/farm loans continues to be high with 91 percent of the number of loans originating within the AA.

FNB&T offers a wide variety of loans, deposit and financial services to meet the needs of consumers, small businesses, small farms, and larger commercial and retail customers. Lending strategies continue to focus on commercial lending, including loans to small businesses and small farms. Approximately 62 percent of the dollar amount of gross loans is commercial compared to approximately 26 percent for 1-4 family residential. FNB&T originated 1,990 small business/farm loans in the AA totaling over \$68 million during the evaluation period. This equates to an average loan size of \$34 thousand. FNB&T originated 1,030 home loans in the AA (includes purchases, refinances and home improvement) totaling more than \$36 million during the evaluation period. This equates to an average loan size of \$35 thousand.

FNB&T ranks 1<sup>st</sup> in deposit market share at 46 percent and is a leading provider of financial services in the AA. Refer to table below for market share ranking of loan products. However, it is noted that the loan market share data is based on comparing FNB&T's loan volumes to banks that are HMDA and CRA reporters. The bank's chief competitor in the AA is not a HMDA or CRA reporter. Regardless, FNB&T would rank either first or second in every category, although the percentages would decline.

Number of Loans		
Loan Type	Market Rank	Market Share
Home Purchase Loans	1 <sup>st</sup>	21.04%
Home Improvement Loans	1 <sup>st</sup>	56.89%
Home Refinance Loan	1 <sup>st</sup>	26.88%
Small Business Loans	1 <sup>st</sup>	38.26%
Small Farm Loans	1 <sup>st</sup>	74.53%

Table based on 2001 HMDA and small business aggregate data and home mortgage data internally prepared by FNB&T.

Please refer to the “Community Development Lending” section of this evaluation for information on the bank’s community development loans.

### ***Distribution of Loans by Income Level of the Geography***

The overall distribution of loans relative to the income level of geographies within the bank’s assessment area is excellent. Slightly more emphasis was placed on loans to small business and farms, since this is the bank’s primary focus and more of these loans were originated. Note that there are no low-income tracts in the AA and only two moderate-income tracts.

#### **Home Mortgage Loans**

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

##### *Home Purchase Loans*

The bank’s geographic distribution of home purchase loans in the AA is good. The bank’s percentage of home purchase loans is near to the percentage of owner occupied housing units in the moderate-income census tracts. However, the bank’s market share in the moderate-income census tracts significantly exceeds its overall market share in the AA.

##### *Home Improvement Loans*

The bank’s geographic distribution of home improvement loans in the AA is adequate. The bank’s percentage of home improvement loans is somewhat lower than the percentage of owner occupied housing units in moderate-income census tracts. However, the bank’s market share in the moderate-income census tracts is near to its overall market share in the AA.

##### *Home Refinance Loans*

The bank’s geographic distribution of home refinance loans in the AA is good. The bank’s percentage of home refinance loans is near to the percentage of owner occupied housing units in moderate-income census tracts. The bank’s market share in the moderate-income census tracts exceeds its overall market share in the AA.

### *Multi-Family Loans*

No detailed geographic distribution analysis was performed, as there was not sufficient activity for meaningful analysis.

### **Small Business Loans**

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination of small business loans.

The bank's geographic distribution of small business loans in the AA is excellent. The percentage of small business loans exceeds the percentage of small business in the moderate-income census tracts. Further, the bank's market share in the moderate-income tracts significantly exceeds its overall market share.

### **Small Farm Loans**

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination of small farm loans.

The bank's geographic distribution of small farm loans in the AA is excellent. The percentage of small farm loans exceeds the percentage of small farms in the moderate-income census tracts. Further, the bank's market share in the moderate-income tracts exceeds its overall market share.

### **Lending Gap Analysis**

Our review included evaluation of FNB&T's geographic distribution of home mortgage loans, home improvement loans, home refinances, and small business and small farm loans. This was done using bank generated reports and census tract maps showing the bank's lending in each census tract in the bank's AA. No conspicuous gaps in lending were identified.

### **Inside/Outside Ratio**

A majority of the home mortgage loans, loans to small businesses and small farms, and community development loans originated by FNB&T over the evaluation period were within its AA. Approximately 91 percent of the bank's home mortgage loans, 93 percent of the small business loans, 89 percent of small farm loans, and 100 percent of community development loans originated within the AA. These statistics reflect a strong level of performance in serving the legitimate credit needs of its AA.

### ***Distribution of Loans by Income Level of the Borrower***

FNB&T's overall distribution of loans by income level of the borrowers is good when considering all mitigating factors.

## Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loans originations and purchases.

### *Home Purchase Loans*

The bank's distribution of home purchase loans by borrower income levels in the AA is adequate. The percentage of home loans to low-income borrowers is significantly lower than the percentage of families in the AA. The percentage of home loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. The bank's market share of home purchase loans to low-income families is lower than their overall market share. The bank's market share of home purchase loans to moderate-income families is near to the bank's overall market share. A mitigating factor in the AA is that 20 percent of households live below the poverty level of \$10,260 per year. Per the 2000 Census information, the median value home cost is \$53,400, just attainable by those earning wages at the high end of low-income.

### *Home Improvement Loans*

The bank's distribution of home improvement loans by borrower income levels in the AA is good. The percentage of home improvement loans to low-income borrowers is lower than the percentage of families in the AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of families living in the AA. The bank's market share of home improvement loans to both low- and moderate-income borrowers exceeds the bank's overall market share. Home improvement loans are not a significant focus of the bank, but the distribution shows that the bank is meeting the needs of moderate-income families to improve their homes.

### *Home Refinance Loans*

The bank's distribution of home refinance loans by borrower income levels in the AA is adequate. The percentage of home refinance loans to low-income families is lower than the percentage of low-income families in the AA. The percentage of refinance loans to moderate-income families is somewhat lower than the families in the AA. The bank's market share of home refinance loans to both low-income and moderate-income families exceeds the bank's overall market share. Mitigating factors are similar to home purchase loans above.

## Small Business Loans

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's loan distribution to small businesses in the AA is good. The percentage of bank loans to businesses with revenues of \$1 million or less is near to the percentage of businesses with revenues of \$1 million or less. Also, the bank's market share of loans with revenues of \$1 million or less exceeds their overall market share.

## Small Farm Loans

Refer to Table 12 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's distribution of loans to small farms in the AA is good. The percentage of bank loans to farms with revenues of \$1 million or less is near to the percentage of small farms in the AA. The bank's market share of loans to farms with revenues of \$1 million or less is also near to the bank's overall market share.

## ***Community Development Lending***

Refer to "Table 1. Lending Volume" in Appendix C for the facts and data used to evaluate the bank's level of community development (CD) lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on the aggregate of all multi-family loans, including those that also qualify as CD loans.

First National Bank and Trust of McAlester's community development lending performance has a positive effect on the lending test rating. The bank's level of community development lending in the Pittsburg County AA is excellent. FNB&T originated four qualifying loans totaling \$8,441,500. The loans were all used for the construction and rehabilitation of community medical facilities. These loans contributed to local efforts aimed at revitalizing and stabilizing the low- and moderate-income areas in which the proceeds were used. The following are examples of FNB&T's community development lending activity:

*First National Development Corporation (FNDC).* A Community Development Corporation (CDC) wholly-owned by FNB&T (refer to *Investment Test* for details on the CDC). FNB&T made a \$6,000,000 loan to FNDC to build a three-story medical office building to be located on the campus of the Regional Health Center. OCC approval of this loan under 12 C.F.R. 24 was granted in May 1999. Without these facilities, many patients would have to drive approximately 100 miles to Tulsa, Oklahoma for health care services.

The area surrounding the Regional Health Center was officially designated as low- and moderate-income by the Department of Housing and Urban Development (HUD) in both the "Model Cities Program" and the "Neighborhood Development Program". The area was also targeted for revitalization under the "City Demonstration Agency Program" and the "Urban Renewal Program". These programs included projects over the years to rehabilitate homes, repair infrastructure, remove dilapidated structures and relocate displaced occupants. Although these particular programs have expired, the City of McAlester continues to target this area as low- and moderate-income and supports efforts to revitalize and stabilize the area.

Additionally, the Regional Health Center reflects its primary service area as an eight county region, including Pittsburg County. This region includes some of the poorest counties in the state. Approximately fifty percent of the families in this region are considered low- and moderate-income. Also, roughly fifty percent of the census tracts and block numbering areas in this region are designated as low- or moderate-income geographies.

*Regional Health Center.* FNB&T made a loan of \$1,750,000 for the construction of the Cancer Treatment Center located on the campus of the Regional Health Center. In addition, another loan of \$400,000 was made to fund improvements of the hospital area and to construct additional parking for the Center. Refer to the above comments on the Regional Health Center and details on how it has contributed to revitalizing and stabilizing a low- and moderate-income area.

*Medical Clinic in Hartshorne.* FNB&T made a loan of \$291,500 for the purchase of real estate and construction of a medical clinic. The clinic brings much needed health care services to a moderate-income area.

### ***Product Innovation and Flexibility***

FNB&T offers flexible loan products to meet the credit needs of LMI individuals. A brief summary of the programs offered by the bank and total loan originations during the evaluation period, include:

*Low Income Consumer Loan Program:* Special pricing on consumer loans for qualified applicants meeting the low-and moderate-income levels for the area. FNB&T originated 373 loans totaling \$624 thousand over the evaluation period.

*Low Income Home Loan Program:* Special pricing on mortgage loans for qualified applicants meeting the low-and moderate-income levels for the area. FNB&T originated 119 loans totaling \$1.3 million over the evaluation period.

*Low Income First Time Home Buyer:* Credit qualifications are relaxed based on the applicant's income meeting the low-and moderate-income levels for the area. FNB&T originated 117 loans totaling \$2 million over the evaluation period.

## *INVESTMENT TEST*

First National Bank and Trust's performance under the Investment Test is rated "High Satisfactory". Qualified investments in the Pittsburg County AA are good. The bank took a pro-active approach to community development investments in a market where investment opportunities are very limited.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank made contributions of \$700,000 to the First National Development Corporation (FNDC) during the evaluation period. FNDC is a non-profit Community Development Corporation (CDC). FNB&T formed the CDC for the purpose of stimulating the development and/or redevelopment of properties within the City of McAlester, providing jobs and other economic opportunities, and meeting the health and education needs of the citizens of the community and surrounding area. These were all considered critical needs in the area. FNB&T's total debt and equity investments in FNDC for the development of health care facilities were approved under 12 C.F.R. 24 by the OCC on May 11, 1999.

FNB&T has also made numerous donations throughout the community with several qualifying as community development investments. We noted 6 donations totaling \$40,760 that went directly to benefit organizations providing services targeted to low- and moderate-income persons.

## ***SERVICE TEST***

The bank's performance under the Service Test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Pittsburg County AA is good.

### **Retail Banking Services**

Under the Service Test, we focused on branch locations, the availability and effectiveness of alternative delivery systems; reasonableness of business hours and services in meeting the needs of the assessment area; and level of community development services.

Banking hours and services offered throughout the AA are good and provide accessibility to banking products and services. FNB&T has two locations, one in McAlester and the other in Hartshorne, Oklahoma, which is located in a moderate-income level tract (50 percent). This compares with only 18 percent of the population that lives in the AA's two moderate-income tracts. In addition, there are two drive-through facilities in McAlester and one in Hartshorne. Lobby and drive-through hours for Monday through Saturday are generally the same at both branches. Extended hours on Saturday are provided at all drive-through facilities. No branches were opened, closed, or moved during this evaluation period.

FNB&T's alternative delivery systems have an overall positive impact on the accessibility of bank products and services. The quantity, quality and accessibility of the bank's service-delivery systems in moderate-income geographies are satisfactory. There are a total of 8 ATM's within the assessment area, one of which is located in a moderate-income level tract. Other alternative delivery systems include "Telebankline" an automated 24-hour telephone banking product that allows customers access to check balances, make transfers between accounts, and loan payments.

### **Community Development Services**

The number of community development services that ultimately benefit LMI individuals in the Pittsburg County AA is good. Community development services must have a primary purpose of community development and relate to the provision of financial services. Bank officers and employees are active in providing their financial expertise and technical assistance on financial matters to small businesses, nonprofit groups, affordable housing programs, and other community development organizations serving LMI individuals. Employees are also involved in programs that provide financial and technical assistance to first-time homebuyers. Some notable examples of community development services include efforts associated with:

*An Economic Development Foundation:* The Chairman of FNB & T (Wanda L. Bass) serves as Director and Treasurer and provides information and assistance on financial matters. This organization's purpose is to acquire land, buildings and other needs to further industrial and economic development in low- to moderate income and other areas. The organization is also very active in creating employment opportunities in the area.

*An Economic Development Services company:* The Chairman of FNB & T serves as a board member and provides technical assistance on financial matters to this local organization, which

has been instrumental to bringing businesses to the community and creating new jobs and providing job training.

*First National Development Corporation (FND):* The Chairman of FNB & T serves on the board of this affiliated non-profit corporation whose purpose is to stimulate the development and/or redevelopment of properties within the City of McAlester, provide jobs and other economic opportunities and otherwise meet pressing community needs. FND began in 1981 and continues to be a supporter and moving force in the community to promote health care and other opportunities for industries that will attract jobs for McAlester and the surrounding areas.

*Local Housing Authority:* Formed in 1968, the aim of this organization is to insure safe, decent, and affordable housing is made available to LMI individuals, as well as creating opportunities for the residents' self-sufficiency, economic independence, and to ensure fiscal integrity by all program participants. FNB&T employee Glenda Webster serves as Chairman of the Board for this agency and another employee also serves as a member. These employees provide financial and technical expertise to the organization

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/99 to 12/31/01 Investment and Service Tests and CD Loans: 11/03/98 to 11/03/02	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First National Bank and Trust Company (FNB&T) of McAlester, OK	Home purchase loans, home improvement loans, home refinance loans, small business loans, small farm loans, community development (CD) loans, CD investments, and CD services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
First of McAlester Corporation	100% Owner of the bank	None
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Pittsburg County	Full Scope	

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Pittsburg County Non-MSA AA .....	B-2
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**Pittsburg County, OK, Non-MSA AA**

Demographic Information for Full Scope Area: Pittsburg County, OK, Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	13	0.00	15.38	61.54	23.08	0.00
Population by Geography	40,581	0.00	18.08	60.71	21.20	0.00
Owner-Occupied Housing by Geography	12,000	0.00	18.90	61.15	19.95	0.00
Business by Geography	1,991	0.00	11.90	70.82	17.28	0.00
Farms by Geography	96	0.00	18.75	68.75	12.50	0.00
Family Distribution by Income Level	11,536	21.39	19.73	20.03	38.85	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,743	0.00	23.13	64.20	12.67	0.00
Median Family Income (1990)		24,139	Median Housing Value	34,574		
HUD Adjusted Median Family Income for 2001		34,200	Unemployment Rate	6.2%		
Households Below Poverty Level		20.46%	(2000 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2001 HUD updated MFI

FNB&T’s assessment area is all of Pittsburg County. Pittsburg County is a non-Metropolitan area in southeastern Oklahoma. McAlester is the largest city in the county and serves as the county seat. McAlester is the primary trade center for the county and surrounding areas. Pittsburg County consists of 13 block-numbering areas (BNA’s). Two are designated moderate-income, eight are designated middle-income and three are designated upper-income tracts. There are no low-income tracts in Pittsburg County although 20.46% percent of individuals live below the poverty level. The two moderate-income bracts are located in the southern part of the county and do not include the financial hub of McAlester. The main bank location is located in a middle-income geography, while the Hartshorne branch is located in a moderate-income geography.

Based on 2000 Census Data, the population for McAlester and Pittsburg County is reported at 17,783 and 43,953, respectively. The economy is supported through the medical, state government, and electronic industries. Major employers in the area include the U.S. Army Ammunition Plant, McAlester Regional Health Center, Oklahoma State Penitentiary, Charles Komar & Sons (sleepwear and lingerie) and Boeing International. Simmons Foods, a poultry plant that employed about 370, recently closed but it has been partially offset with Simonton Windows (window manufacturing) moving in along with increased jobs at the Army Ammunition Plant. The economy remains stable with the unemployment rate for the county at 6.2%. The state and national unemployment rates are 4.2% and 6.0%, respectively.

The banking environment is competitive. There are six financial institutions operating in Pittsburg County. Five are located in McAlester and one in Quinton. Three of the financial institutions are headquartered in Pittsburg County. FNB&T’s competition includes: The Bank, N.A., (headquartered in McAlester); branches of Bank of Oklahoma, N.A.; Bancfirst (state-chartered); Superior Federal Bank FSB; and, Farmers State Bank (headquartered in Quinton). Additionally, there are 2 full service credit unions and approximately 12 finance companies providing strong competition for consumer banking and mortgage services. As of June 30, 2001, FNB&T and The Bank, N.A. held a 54% and 25% market share, respectively, of deposits

in Pittsburg County. The Federal Deposit Insurance Corporation collects deposit information on June 30 of each year.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME 31, 2001		Geography: PITTSBURG COUNTY, OK						Evaluation Period: JANUARY 1, 1999 TO DECEMBER				
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Pittsburg County, OK, No	100.00	1,030	36,742	1,132	55,234	858	12,434	4	8,442	3,024	112,852	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From November 03, 1998 to November 15, 2002.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME 31, 2001		Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999 TO DECEMBER				
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Pittsburg County, OK, No	100.00	63	2,913	63	2,913	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1999 to December 31, 2001.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME 31, 2001		Geography: PITTSBURG COUNTY, OK		Evaluation Period: JANUARY 1, 1999 TO DECEMBER	
MA/Assessment Area (2001):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Pittsburg County, OK, No	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is From January 01, 1999 to December 31, 2001.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	329	100.00	0.00	0.00	18.90	14.29	61.15	53.50	19.95	32.22	21.04	0.00	33.80	18.75	20.39

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	279	100.00	0.00	0.00	18.90	12.90	61.15	58.42	19.95	28.67	56.89	0.00	55.00	59.62	51.16

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southwest Region.

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE TO DECEMBER 31, 2001			Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	422	100.00	0.00	0.00	18.90	15.17	61.15	57.82	19.95	27.01	26.88	0.00	31.25	27.30	24.42

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK						Evaluation Period: JANUARY 1, 1999 TO					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp		
<b>Full Review:</b>																	
Pittsburg County, OK, Non-MSA AA	0	0.00	0.00	0.00	5.44	0.00	81.38	0.00	13.18	0.00	0.00	0.00	0.00	0.00	0.00		

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES TO DECEMBER 31, 2001			Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	1,132	100.00	0.00	0.00	11.90	12.19	70.82	68.20	17.28	19.61	41.66	0.00	54.43	39.48	43.11

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2002).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	858	100.00	0.00	0.00	18.75	26.34	68.75	62.35	12.50	11.31	74.53	0.00	77.08	76.25	64.18

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2002).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	329	100.00	21.39	4.64	19.73	13.93	20.03	18.58	38.85	62.85	21.04	10.00	18.09	20.80	26.79

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.82% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	279	100.00	21.39	10.74	19.73	22.22	20.03	24.81	38.85	42.22	56.89	60.00	63.33	67.39	45.83

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 3.23% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE TO DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK								Evaluation Period: JANUARY 1, 1999					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Pittsburg County, OK, Non-MSA AA	422	100.00	21.39	6.22	19.73	13.68	20.03	24.63	38.85	55.47	26.8 8	55.0 0	27.7 8	29.0 3	26.5 3

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 4.74% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Pittsburg County, OK, Non-MSA AA	1,132	100.00	82.07	77.03	87.99	7.42	4.59	41.66	49.06

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 8.66% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Pittsburg County, OK, Non-MSA AA	858	100.00	94.79	93.71	99.07	0.70	0.23	74.53	73.96

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 2.56% of small loans to farms originated and purchased by the bank.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option) – NOT APPLICABLE**

Geographic and Borrower Distribution: CONSUMER LOANS TO DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK										Evaluation Period: JANUARY 1, 1999							
		Geographic Distribution										Borrower Distribution							
		Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
MA/Assessment Area:		#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS DECEMBER 31, 2001		Geography: PITTSBURG COUNTY, OK				Evaluation Period: JANUARY 1, 1999 TO			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Pittsburg County, OK, Non-MSA AA	0	0	13	741	13	741	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: PITTSBURG COUNTY, OK				Evaluation Period:					
JANUARY 1, 1999 TO DECEMBER 31, 2001																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Pittsburg County, OK, Non-MSA AA	100.00	2	100	0.00	50.00	50.00	0.00	0	0	0	0	0	0	0.00	18.08	60.71	21.20